

REPORT 1998  
ANNUAL

# CALSTARS

## ANNUAL REPORT

CALIFORNIA STATE  
ACCOUNTING AND  
REPORTING SYSTEM

1998



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## INTRODUCTION

The CALSTARS Annual Report is our documentation of those system operational activities and development efforts during the previous calendar year. In part, this document represents our commitment to continue the strategic development of CALSTARS on behalf of its client agencies. Through this effort significant workload savings are achieved for each agency and for the State in general.

Milestones were reached on several projects in 1998. The CD 102 Automation, the Retrieval of Document File Data, and the 1099 Reporting Changes projects were completed and installed; and system changes were installed representing significant progress on the Past-Year Schedule 10 Interface, the Automated Monthly SCO Reconciliation, and the Report Distribution projects.

In addition, we are particularly excited about the prospects for the Electronic Claim Schedules project. Late in 1998, Department of Finance and State Controller's Office (SCO) staff began working jointly on this project. We expect to report significant results next year.

We look forward to the opportunity in 1999 to add other exciting changes and enhancements to increase the functionality and benefit of CALSTARS for our client agencies. Planned future developments are identified in our Annual Plan which is updated each year in July. The Annual Plan and other CALSTARS information is available at the Department of Finance website at [http://www.dof.ca.gov/html/calstars/cs\\_home.htm](http://www.dof.ca.gov/html/calstars/cs_home.htm).



## GENERAL

**T**he CALSTARS Annual Plan was updated in July 1998. It reaffirms the basic mission of CALSTARS, outlines objectives/strategies for accomplishing that mission, and identifies specific activities needed to meet those objectives. A copy of the updated Annual Plan was sent to each CALSTARS agency in July.

We also continue to make available a one-page leaflet that is a quick summary of CALSTARS capabilities. It describes what CALSTARS is, who we are, and the services we provide. It is intended for a general audience.

For additional copies of the updated Annual Plan or copies of the CALSTARS leaflet call (916) 445-0211, Extension 2812. The Annual Plan is also available from the CALSTARS Internet site.

The CALSTARS Advisory Council consists of representatives of CALSTARS client agencies with the chair being the Assistant Program Budget Manager, Department of Finance, CALSTARS. The Council continues to meet periodically to:

- Provide responsible representation for their departments and the State in general;
- Serve as an advisory group to the Department of Finance, CALSTARS, for the continued strategic growth in the development, maintenance and operation of the CALSTARS system;
- Raise issues, identify problems and discuss alternative solutions to key issues/problems; and,
- Provide a means of keeping representative departmental fiscal management informed on the progress of CALSTARS projects and activities.

The minutes from the Advisory Council meetings can be found at the CALSTARS website.



## SYSTEM CHANGES

The first priority of the CALSTARS staff is the efficient and cost-effective daily operation and maintenance of the CALSTARS system. Beyond that, the majority of our system development resources are devoted to the projects described in the CALSTARS Annual Plan. During 1998 the following three major projects were completed:

- **Retrieval of Document File Data**—This enhancement provides the capability to automatically retrieve data from existing documents for subsequent adjusting or liquidating transactions, thereby reducing keying requirements and eliminating errors due to keying mistakes.
- **CD 102 Automation**—The capability to automatically post the SCO Notice of Claims Paid transactions at the end of each month is now available to CALSTARS agencies. Accounting transactions are automatically created and processed based on the monthly data file electronically transferred from the SCO. For October 1998 over 13,000 transactions were automatically recorded, reducing agencies' workload by eliminating the manual input of these transactions.
- **1099 Report File**—The CALSTARS reporting process was modified to comply with the Internal Revenue Service reporting format changes for Year 2000, dollar field sizes, attorney payments, and added information requirements.

Some system changes were installed this year as part of the phased implementation of other major projects contained in the Annual Plan:

- **Past-Year Schedule 10 Interface**—Required data elements were added to the Organization Control (OC) and Appropriation Symbol (AS) Tables. The new Budgetary Adjustment Sequence Table was installed. Input coding requirements were changed for some transactions and transactions began posting to the new CALSTARS Schedule 10 financial master files.
- **Automated Monthly SCO Reconciliation**—Required data elements were added to the AS Table. Agencies can update their AS table records now so that they will be ready for the Automated Monthly SCO Recon-

ciliation process when it is implemented. (This is planned for late Spring 1999.)

- ➡ **Report Distribution System**—New ROPES queues were created for the better organization of and access to reports through ROPES. Standard Report file names were revised to provide for requesting multiple versions of a single report during the same day. A new 'D' report destination option was installed to provide the capability to receive any report as a report file (system-generated, external, or standard-request reports).

In addition, significant work has been accomplished on two other projects. System change specifications have been completed for the Automated Bank Reconciliation project. As soon as programming resources become available, the detail system design will be completed and programming will begin. The On-line Screens Redesign project team has established new screen design standards and is addressing how to implement these standards for existing screens. Implementation will result in a revised menu structure for accessing functions and enhanced functionality on most screens.

The following are some other changes installed this year not directly related to projects in the Annual Plan:

- ➡ The display of subsidiary codes for certain general ledger accounts on the Subsidiaries on File Report (G02) was revised at the request of the State Controller's Office.
- ➡ Several additional SCO reports were added to the CALSTARS process which electronically receives external reports and prints them on agencies' CALSTARS printers. The additional SCO reports now distributed through CALSTARS are Journal Entries (distributed daily), the year-end reports 1, 3, and 5, and the monthly Selected Accounts Report.
- ➡ Two Standard Reports (Q11 and Q13) were revised to provide the capability to request these reports for a specific Character (i.e., Support, Local Assistance, or Capital Outlay). At the request of agencies, this additional selection option enables agencies to request and receive partial reports when a full report is not needed.
- ➡ Two on-line features of the system were changed to increase convenience to agencies. The "time out" setting was increased to six hours (After the specified period of inactivity, "time out" results in the return to the Master Menu from the screen last accessed), and an option to sign on with another User ID was added to the log off Termination Screen to avoid having to exit CALSTARS entirely when logging back on with a different User ID.

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## MONARCH

In its second year, use of Monarch for Windows continues to increase in the world of CALSTARS. CALSTARS client agencies have made significant accomplishments using Monarch as a PC tool to extract data from CALSTARS standard reports as well as history and operating file data. To date 70 CALSTARS agencies have purchased 400 copies of Monarch for Windows.

The CALSTARS/Monarch Users Group meets once a month and has grown to a membership of 222, representing 67 CALSTARS agencies. This users group continues to be a means of sharing information on the innovative uses of Monarch and serves as a forum for agency staff to voice their concerns and make suggestions to further enhance CALSTARS. The minutes from the CALSTARS/Monarch Users Group can be found at the CALSTARS Internet site.

Monarch for Windows and the CALSTARS/Monarch Users Group continued to prompt new and exciting functionality in CALSTARS during 1998. For example, the SCO Tab Run and Fund Reconciliation reports and SCO Journal Entries are now available as report files as well as printing locally on agencies' printers. In addition we completed a project to standardize report file names to assist agencies in identifying multi-report file requests.

In June 1998, Datawatch Corporation released Monarch Ver 4. Monarch Ver 4 requires a native 32 bit application and operates under Windows 95, 98 or NT. This new release of Monarch provides improved extraction and import capabilities, export and summary enhancements, increased input line length from 256 to 1000 characters, and the ability to append data to an existing table. It also uses the Microsoft Jet database engine for enhanced processing. A significant number of CALSTARS agencies have upgraded to Monarch Ver 4.

During 1998, 11 Monarch training classes were given by a CALSTARS staff person who is a Monarch Trainer certified by the Datawatch Corporation. The Monarch classes are in high demand and waiting lists have been established. Monarch Training is available to all employees of a CALSTARS agency. See COM 98-17 for current class schedule. The tuition fee is \$175 per participant. All classes are "Hands on" with the certified Monarch trainer leading the participants interactively through basic and advanced operation of Monarch. Students are shown how Monarch will read report file data, create data extraction templates, query, filter, sort, summarize and export data for use with other PC applications.

The Department of Social Services (DSS) completed an evaluation of Monarch Enterprise Solution (ES). Monarch/ES is a report warehouse subsystem that runs within a Windows NT server environment where reports can be delivered electronically and displayed on a PC screen rather than on paper. DSS reported that Monarch ES would be a viable tool for CALSTARS agencies that are report driven and use CALSTARS reports on a regular basis. DSS further reported that Monarch ES is user friendly and has an excellent storage/archive capability that could replace microfiche. However, they concluded that Monarch ES would not totally fit into their environment because they are not completely CALSTARS report driven. DSS managers typically get financial information generated from CALSTARS after the information has been extracted using Monarch/Access or RAMIS ad hoc reports.

As a result of DSS' evaluation of Monarch ES and the recently announced enhancements to Monarch ES, which added a Web and Data Pump interface, CALSTARS will soon be installing a NT server that will be used to further evaluate Monarch ES. The general plan is to pilot Monarch ES with about four or five CALSTARS agencies over a two to four month period.



## COMMUNICATIONS WITH AGENCIES

Changes to CALSTARS are communicated to agencies through the on-line NEWS, CALSTARS Operations Memos (COMs), updates to the CALSTARS Procedures Manual (CPM), and through access to the Department of Finance web pages on the Internet. These communication methods are discussed in the following paragraphs.

**CALSTARS on the Internet**—CALSTARS is now available on the Internet via the Department of Finance's Home Page. The CALSTARS website is:

**[http://www.dof.ca.gov/html/calstars/cs\\_home.htm](http://www.dof.ca.gov/html/calstars/cs_home.htm)**

Through a table of contents, access is available to:

- Currently active CALSTARS Operations Memos;
- The CALSTARS Procedures Manual;
- CALSTARS Forms;
- The CALSTARS Training Schedule;





- The CALSTARS Annual Plan and Annual Reports;
- A list of CALSTARS Agencies and Agency Contacts;
- Minutes from CALSTARS Advisory Committee meetings; and,
- General information on system background, capabilities, services and support.

Most of the CALSTARS Procedures Manual, including the exhibits, report samples, and forms contained within the Manual has been converted to the Microsoft Word format so that they can be easily viewed on-line via the Internet. Although the text portions of the manual have not been updated, most of the exhibits, report samples and forms have been updated as part of the conversion process. As the text portions are updated, the hard-copy version of the Manual will be re-issued. Until this occurs, the Internet version of the Manual will be more up-to-date than the hard-copy version.

These documents are Microsoft Word documents that can be downloaded to a PC. For those clients who do not have the Microsoft Word software on their PC, there is an option to download Microsoft FREEWARE files which can be executed to 'setup' the Word Viewer. Use of these tools provides on-line viewing and/or printing of the documents. The CALSTARS site also includes a Search feature that allows clients to search for keywords throughout the CALSTARS web site.

Several of the forms have been designed and automated to be easily completed on screen. They can then be saved in your word processing files and be attached to e-mail to CALSTARS for processing.

The CALSTARS Internet site also includes links to other internet sites that contain:

- |                         |  |
|-------------------------|--|
| ➤ Uniform Codes Manual  | ➤ Management Memos                       |
| ➤ Manual of State Funds | ➤ State Administrative Manual            |
| ➤ Governor's Budget     | ➤ Constitution/Codes/Statutes            |
| ➤ Budget Letters        | ➤ Catalog of Federal Domestic Assistance |
| ➤ Audit Letters         | ➤ Department of Finance Glossary         |
| ➤ Budget Analyst Guide  |  |

**CALSTARS News** - In addition to the Daily Operation Status messages, there were 257 announcements on the News. Of the 257 announcements, 159 were bulletins and 98 were job opportunities containing 229 positions. A comparison of positions by general classification advertised last year and this year is following:

CLASSIFICATION	LAST YEAR	THIS YEAR	CHANGE
Accounting Administrator or equivalent	10	12	2
Senior Accounting Officer	35	38	3
Accounting Officer	41	32	-9
Accountant I	27	36	9
Professional other than accounting	6	10	4
Accounting Technician	44	56	12
Senior Account Clerk/Account Clerk II	31	34	3
Office support	12	11	-1
Total	206	229	23

The CALSTARS News continues to be a popular method of advertising vacancies.



## REPORTABLE PAYMENTS

The Reportable Payment process was run as scheduled on December 16, 1998. Agencies processed reportable payment transactions during the year. On behalf of all CALSTARS agencies, we electronically reported over 15,500 information returns (Form 1099) totaling \$2.4 billion to the Franchise Tax Board (FTB) and the Internal Revenue Service (IRS). This consolidated filing is beneficial to agencies because, otherwise, each agency would be responsible for:

- ➡ Preparing and mailing the 1099 form to each vendor that receives reportable payments from the agency; and,
- ➡ Reporting the information to the FTB and IRS.



## CLIENT SUPPORT

This last year we provided the following CALSTARS support:

- The Quality Implementation Check (QIC) Review program continued this year. A "QIC Review" is an agency-requested review by the CALSTARS staff of an agency's accounting practices and/or procedures. We began the year with nine active QIC's. We began four new reviews, completed five and have eight still active. In all we spent over 1000 hours in QIC support.
- In addition to QIC support we also provided short term agency requested support to over twenty agencies totaling over 1000 hours.
- The California Public Utilities Commission and the Commission on Local Governance 21<sup>st</sup> Century was implemented and began accounting with CALSTARS this year.
- Office Revolving Fund (ORF) implementations were completed as requested for: State Teachers Retirement System, Energy Resources Conservation and Development Commission, and Office of Planning and Research.
- Maintained the CALSTARS HOTLINE each state working day from 8:30 AM until 4:30 PM and eight Saturdays in July and August from 8:00 AM until 1:00 PM. This year we established a HOTLINE e-mail address. Agencies can now access the HOTLINE via the telephone or e-mail at [HOTLINE@dof.ca.gov](mailto:HOTLINE@dof.ca.gov).



## TRAINING

All CALSTARS training classes continue to be available at no direct cost to CALSTARS agencies except for the Monarch class discussed in the report section titled "Monarch". Through the Training System and the ten personal computers in our Training Room, we can simulate all parts of the Production CALSTARS system. We use the "Hands on" training technique in nearly every class. Two professional analysts are assigned full time to the training function. See COM 98-16 for a listing and schedule of classes. The Monarch class schedule is in COM 98-17. Both are available through the CALSTARS website.

The following table shows the number of classes conducted and students attending classes over the past two years:

TRACK	CLASS TITLE	LAST YEAR		THIS YEAR		CHANGE	
		CLASSES	STUDENT	CLASSES	STUDENT	CLASSES	STUDENT
I	CALSTARS Overview	5	87	9	157	4	70
II	CALSTARS Tables	3	51	1	5	-2	-46
III	Detailed Accounting	8	141	7	126	-1	-15
IV	Labor Distribution Subsystem	2	32	3	40	1	8
V	SCO Reconciliation/Month-end Close	3	50	2	35	-1	-15
VI	Office Revolving Fund and Checkwriter Subsystem	4	70	2	36	-2	-34
VIII	Operating Transfers, Bonds and Loans	1 <sup>1</sup>	22 <sup>1</sup>	0 <sup>1</sup>	0 <sup>1</sup>	-1 <sup>1</sup>	-22 <sup>1</sup>
YEC 1	Planning for Year-end Closing - 1/2 day	12	209	10	184	-2	-25
YEC 2	Preparing Year-end Statements- 1, 2, or 3-day Session	17	308	17	263	0	-45
—	Monarch for Windows <sup>2</sup>	0	0	11	87	11	87
TOTALS, ALL CLASSES		55	970	62	933	7	-37 <sup>3</sup>
TOTAL STUDENT DAYS <sup>4</sup>		1,865		1,658		-207 <sup>3</sup>	

<sup>1</sup> On demand. Requires at least 10 students.

<sup>2</sup> New class this year. See report section titled "Monarch" for discussion of class.

<sup>3</sup> Fewer regular track classes were conducted this year due to a vacancy in the CALSTARS Training Unit.

<sup>4</sup> Defined as the number of days of training in each track multiplied by the number of trainees in each track.

We continue to believe a trained staff in every CALSTARS accounting office is a key ingredient to success. From the time that we instituted 'no fee' training, we have filled all of our scheduled sections and we are maintaining waiting lists for all classes. Due to this demand for training and the limited resources in the CALSTARS Training Unit, we continue to ask that the number of registrants within each track be limited to four participants per agency. Because of this policy, agencies should give priority to requests for CALSTARS training to accounting office staff with direct responsibility and duties related to the class topic.

The Detailed Accounting class (Track III) was changed back to a single four-day class this year. Last year the class was split into two separate three-day classes, one class covering accounts payable and one class covering

accounts receivable/cash receipts. However, since over fifty percent of participants were registering for both classes, these subjects were again combined into a single class. This reduces the number of training days required to train on these subjects by two days.

A web page entitled "Training Aids" has been added to the CALSTARS website. This page currently contains the following documents: How to select transaction codes; how to perform daily batch reconciliations; and instructions for printing claim schedules and remittance advices. These are step-by-step instructional materials from the CALSTARS training classes. While most of the material covered in the training classes is directly from the CALSTARS Procedures Manual, we will add additional documents to Training Aids as they are developed.



## **DAILY OPERATIONS**

**C**ALSTARS processed transactions on all 255 scheduled processing days. Agencies initiated action that resulted in over 26.7 million transactions, which was approximately 0.4 million more than the previous year. On twenty-nine nights this year, more than 200,000 transactions were processed, with an all-time high of 481,831 transactions processed on January 14, 1998.

All processing was completed, as scheduled, each night. In addition, on 250 days (or 98 percent of the time) all reports were made available from the Health and Welfare Data Center (HWDC) by the 7:00 AM schedule.

Agencies requested and received 200,361 standard reports, 55,411 N1 reports, and 10,906 F1 file copies for a total of 266,678 reports during the year, an average of 1,046 reports every day. This is approximately the same volume as last year. During the same period, the amount of reports printed at HWDC decreased by five percent. This decrease indicates that agencies are using new report output options to offset the relatively high cost of hardcopy reports. See additional discussion in the Costs section of this report.

A web page entitled "Operational Tools" has been added to the CALSTARS website. This page includes various tools and techniques to assist in the timely and accurate operation of CALSTARS.

## COSTS

Agencies continue to pay the full cost of operating and maintaining CALSTARS, including their proportionate share of DOF CALSTARS support staff. Those costs continue to be far less to each agency than otherwise necessary to internally support the operation, maintenance, documentation, hardware support, training, and continued enhancement of a departmental accounting system operation.

Total costs decreased by 6.7 percent in the 1997-98 fiscal year compared to the 1996-97 fiscal year. The decrease is primarily due to the overall decrease in HWDC rates effective November 1997 and the reduction in the annual amount billed to agencies for the operation and maintenance of CALSTARS. Overall, we anticipate total costs for the upcoming year to be approximately 1 percent higher due to an increase in transaction volume and an increase in the amount billed to operate and maintain CALSTARS.

One way that agencies can exercise cost savings is in the area of report printing. For reports produced at HWDC, agencies are charged a printing cost and a paper cost by the page. For reports printed at an agency, the output cost is for the paper only. Shown below is a comparison of the costs for printing 1,000 pages at HWDC, on a printer at an agency, or through microfiche.

HWDC PRINT		AGENCY PRINT		MICROFICHE	
11 x 9 1/2 paper	\$11.30	Paper	\$6.30	268 pages per fiche	\$3.80
Printing	<u>30.00</u>				
Total	\$41.30				

During the past year, agencies reduced the number of pages printed at HWDC by more than 1.6 million pages over the prior year. This produced a net savings to those agencies of \$36,800. Agencies should review their report requesting needs and practices and consider leasing additional printers to print more reports in-house. Our analysis indicates it is less costly to lease an additional printer when the volume is more than 4,000 pages/month. Please contact the CALSTARS Hotline for details.